



Oklahoma International Trade Bulletin

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April 2006

Mark Your Calendar!

Oklahoma World Trade Conference to Be Held at the Doubletree Hotel at Warren Place on April 26th

Mark your calendar to attend the 23rd annual Oklahoma World Trade Conference, April 26, 2006, at the Doubletree Hotel at Warren Place (6110 South Yale Avenue) in Tulsa. The Oklahoma District Export Council in coordination with the U. S. and Oklahoma Departments of Commerce sponsors the conference.

Registration will begin at 9:00 a.m., and the conference will be held from 9:45 a.m. to 3:00 p.m.

To open the conference the Mayor of Tulsa will issue a Proclamation of World Trade Day in Tulsa.

The morning session will begin with a presentation on *The Hottest World Markets in 2006 – Are You Looking in the Right Places?* by Charles Kestenbaum, Director of Business Development, Diligence USA LLC, Washington D.C.

The ten big emerging markets of

the world are the key swing factor in the future growth for world trade, global financial stability, and the transition to free market economies in Asia, Latin America, and Central Europe. Half of the ten emerging markets are Argentina, South Africa, Poland, India, and China. The ten markets offer U. S. and international companies significant opportunities and risks for growth and market share. These markets are also critical to human rights improvement, the avoidance of conflicts in several regions, nuclear nonproliferation, and environmental considerations.

Emerging markets are difficult to select when determining which to put company resources into. Each market is unique and requires careful assessment based on desired outcome. The panel discussion will include Bob Cloud, CEO, SCFM Compression

Systems Company, Tulsa, and Beth Doty, International Sales Representative, Advance Food Company, Oklahoma City. The panel will offer their insights and address questions.

At the luncheon the honorable Amy Polonchek, Interim Executive Director, Oklahoma Department of Commerce, will present the **2006 Governor's Award for Excellence in Exporting and U. S. Department of Commerce Export Achievement Certificates.**

Our keynote speaker will be Anthony Grasso, International Trade Compliance Analyst, USDOC-International Trade Administration, Washington, D.C. and he will deliver the keynote address: ***What Does Free Trade Mean to My Company?***

U. S. businesses and workers are the most productive in the world, but often find difficulties exporting their

goods and services because of foreign barriers to trade. These barriers can be reduced through free trade agreements.

Free Trade Agreements (FTAs) can help your company to enter and compete more easily in the global marketplace. There are free trade agreements in most regions of the world, which can have a major impact on your doing business globally. Trade agreements help level the international playing field and encourage foreign governments to adopt open and transparent rulemaking procedures, as well as non-discriminatory laws and regulations.

What does this mean to your company? FTAs help strengthen business climates by eliminating or reducing tariff rates, improving intellectual property regulations, opening government procurement opportunities, easing investment rules, and much more. International trade is an integral part of the U. S. economy, accounting for more than one-quarter of U. S. gross domestic product and supporting more than 12 million U. S. jobs, including 1 in 5 manufacturing positions. FTAs can be a catalyst for accelerating economic growth by allowing greater competition, encouraging the formation of international partnerships, and by greatly liberalizing many industries. Most FTAs include specific obligations in the areas of intellectual property, services, investment, and telecommunications. Many FTAs also provide for groundbreaking cooperation in promoting labor rights and the environment.

The afternoon session will be a discussion of ***The Cost of Domestic/International Logistics – Moving My Products*** by a FedEx, Logistics Executive.

Welcome to the new world markets. Products are manufactured and shipped to (and from) all parts of the world. It is currently estimated, that logistics costs can represent up to 25 percent of sales in the U. S. and

abroad. Some of these costs include inspections, certifications, insurance, handling charges, crating and fumigation fees. The cost of getting your product to the marketplace is hurting your bottom line.

Relentless optimization of manufacturing in the last two decades and application of new managerial approaches such as Just In Time (JIT), Quality Management System (QMS), and Total Quality Management (TQM) have resulted in significant improvements in performance. However, it has also been associated with an increase in the logistic activities. Products need to be moved from more international origins to more scattered market destinations faster and more efficiently.

Management of global logistics is thus a major and growing challenge. The opportunity for further cost reduction in manufacturing is now smaller than the potential cost reduction in logistics. Clearly, improving the efficiencies in logistics is now as important to strategic planning as improvement in manufacturing and marketing.

The panel discussion will include Jeff Bainbridge, Director of Logistics, Carlisle FoodService Products, Inc., Oklahoma City, and Jan Krehbiel, Business Unit Manager, Panalpina, Inc., Tulsa. A questions-and-answer session will follow.

*****CONCURRENT BREAKOUT SESSION***** *Attention: Chamber Execs, Economic Development Specialists and City Government Officials.*

In addition, a concurrent afternoon breakout session for Chambers of Commerce and other economic development agencies will focus on **“Get in the Game of Global Trade!”**

An historic opportunity awaits you at this year’s Oklahoma World Trade Conference.

For the first time, a special session has been developed to provide chambers, economic development specialists, Mayors and City Managers

tangible tools which will allow them to assist their local businesses and communities to break into the international marketplace.

The panel of experts moderated by **Danny George**, Executive Director, Oklahoma Municipal League will include: Shawnee Mayor **Chuck Mills**, President, Mills Machine Company, Inc.; **Barry Clark**, Director, Global Business Solutions, Oklahoma Department of Commerce; **Dick Rush**, President/CEO, The State Chamber; **Wes Stucky**, President, Ardmore Chamber and Development Corporation.

Topics covered will be: **Sister City Relationships- How They Aid in Community Economic Development; How to Thrive Locally & Succeed Globally; Make Friends Globally- Develop a Chamber to Chamber Relationship Internationally;** and hear how one globally minded community is **Scoring in the International Game.**

Don’t miss this important event to get your Chamber, City and business community in the game! Mark your calendar today!

Mayors: Bring your Chamber and E.D. leaders. Chamber Execs and E.D. Leaders: Bring your Mayor!!!

Registration Fees:

1 Attendee - \$85.00

2 or More Attendees from One Organization - \$85.00 for the first and \$75.00 each for the others

Corporate Table (8 Attendees) - \$535.00

Corporate Contributory Sponsorship (5 Attendees) - \$500.00

Student – ID required - \$20

Display Table (Includes Registration for 2 Attendees) - \$260.00

Registration fees include information packets, continental breakfast, and luncheon. Checks should be made payable to the Oklahoma District Export Council and mailed to 301 N. W. 63rd Street, Suite 330, Oklahoma City, Oklahoma 73116. You may also register and pay at the door.

For your convenience, a registration form is included on page 3 of this newsletter.

For online registration, please go to http://www.okcommerce.gov/index.php?option=com_customforms&Itemid=601.

Cancellation policy is a full refund until April 18th. From April 19-26, refunds will be subject to a \$35.00

cancellation fee per registrant. No refunds will be given the day of or after the event.

A reception, sponsored by Carlisle FoodService Products, for all attendees and speakers will be held April 25th from 5:30 p.m. to 7:00 p.m. at the Doubletree Hotel at Warren Place. **Please RSVP by April 21st.**

For hotel reservations, contact the

Doubletree Hotel at Warren Place at 1-918-495-1000 or 1-800-222-TREE. The rate for OkWTC attendees is \$66.00.

For further information or registration, call 405/608-5302 in Oklahoma City, 918/581-7650 in Tulsa or 800/879-6552, extension 223. E-mail: oklahomacity.office.box@mail.doc.gov.

U. S.-Singapore Free Trade Agreement

Singapore is currently the United States' eleventh largest export market. Two-way U. S.-Singapore merchandise trade now exceeds \$38 billion annually, with a \$1.4 billion U. S. surplus, and two-way services trade tops \$6 billion, with a \$2.1 billion U. S. surplus. With the implementation of this free trade agreement (FTA) on January 1, 2004, this important trade relationship continues to expand and deepen.

The U. S.-Singapore Free Trade Agreement was the first U. S. FTA with an Asian nation and the first FTA signed by President Bush. The U. S.-Singapore FTA increased U. S. exports, improved U. S. competitiveness around the globe, secured a U. S. presence in Southeast Asia, and

provided a standard of free trade that encourages a high level of liberalization. Doing business in Singapore is now easier, faster, cheaper, and more transparent. It gives U. S. businesses and exporters even more access to one of the world's biggest markets, Southeast Asia, where many opportunities are to be found.

Besides binding all Singapore tariffs for U. S. goods at zero, the FTA increases export opportunities for certain U. S. manufacturing sectors including those that produce satellite dishes and broadcasting equipment, medical instruments and equipment, microelectronics, paper, photo equipment, certain textiles, pharmaceuticals, and chemicals.

Singapore accorded substantial

access to Singapore's services and investment market, with few exceptions. It also increased government procurement opportunities and protection of intellectual property. Furthermore, the FTA provides for groundbreaking cooperation in promoting labor rights and the environment.

The Department of Commerce's Market Access and Compliance offices is monitoring this Agreement to ensure that Singapore fully complies with its trade obligations. If you encounter problems under the U. S.-Singapore FTA, please contact the Agreements Compliance office or call the Office of the Pacific Basin's Singapore Desk Officer at (202) 482-3832 or (202) 482-3894.

Registration:

Oklahoma World Trade Conference

April 26, 2006

**Doubletree Hotel at Warren Place
6110 South Yale Avenue
Tulsa, Oklahoma**

❖ Make Checks Payable to Oklahoma District Export Council

Mail to: 301 N. W. 63rd St., Suite 330; Oklahoma City, OK; 73116 **Fax to:** (405)608-4211 or (918)581-6263 **E-mail to:** oklahomacity.office.box@mail.doc.gov

Name(s): _____ Firm: _____

Address(City/State/Zip): _____

Telephone/Fax: _____ Website: _____

E-mail: _____ Number of Attendees: _____

Corporate Table: _____ Contributory Sponsorship: _____ Display Table: _____

Economic Development Session: _____ Pay at door: _____ Amount Enclosed: \$ _____

I will _____ I will not _____ attend the reception on April 25th. **RSVP by April 21st.**

TARIFF ELIMINATION

The U. S.-Singapore Free Trade Agreement (FTA) bound all Singapore tariffs for U. S. goods at zero percent. However, prior to the U. S.-Singapore Free Trade Agreement entering into force, the vast majority of U. S. products already entered Singapore duty-free. Under the U. S.-Singapore FTA, the import of beer, stout, samsu, and medicated samsu originating from the United States, the only products to previously have duties assessed, now also have zero duty rates. A five percent sales tax is still applied on all imports into Singapore.

FREQUENTLY ASKED QUESTIONS (FAQs)

Q. Why is Singapore considered a good trading partner?

A. -Singapore maintains one of the most liberal trading regimes in the world.

-It is extremely easy to export to Singapore. All U. S. exports now enter the country duty free and documentation is minimal.

-Singapore is a highly developed, English-speaking nation, and maintains a high standard of living.

-Singapore's government is considered to be efficient, effective, and relatively free of corruption.

-It is one of the most sophisticated industrial, commercial, financial, and consumer economies in the world.

-It is an excellent market and test market for U. S. products and services.

-Singapore is a principal gateway to Southeast Asia, which means that American manufacturers can find interested local buyers or regional ones as most of Singapore's distributors sell to other Southeast Asian countries.

Q. What is the Integrated Sourcing Initiative (ISI)?

A. The ISI improves the global competitiveness of U. S. businesses and workers by adapting traditional trade rules to help U. S. companies improve the efficiency and flexibility

of their global sourcing networks. The ISI currently accords special treatment to certain IT products. For a limited number of IT products and medical devices that already face zero tariffs in the United States and Singapore, the ISI eliminates the requirement that these products meet specific rules of origin when shipped between the United States and Singapore. Therefore, the customs procedure is streamlined, and the cost and burden on the importer is reduced.

Q. What paperwork is required for my shipments to Singapore?

A. The importer of goods must obtain an Import Permit prior to the import of goods into Singapore. To engage in import, export, and transshipment activities in Singapore, companies must first register with the Accounting & Corporate Regulatory Authority (ACRA). Upon successful registration with ACRA, a company must apply to Singapore Customs for a Central Registration Number. This CR Number enables a company to submit Import, Export and Transshipment Permit applications through TradeNet. A CR Number is processed free of charge.

Q. What is TradeNet?

A. Trade Net is Singapore's one-stop electronic trade documentation system. The TradeNet System has integrated Singapore's import, export and transshipment documentation processing procedures. It reduces the cost and turnaround time for the preparation, submission and processing of trade and shipping documents and expedites the clearance of the cargo. Under the TradeNet System, the trading community is given the means of submitting permit applications electronically to Singapore Government bodies (Singapore Customs and the various Competent Authorities) for processing.

DECLARING ORIGIN

Preferential Tariff Treatment for U. S. Exports

Under the U. S.-Singapore Free

Trade Agreement (USSFTA) beer, stout, samsu, and medicated samsu originating from the United States are eligible for zero duty rates. All other products from the United States already entered Singapore duty-free. Excise duties on these items will still be applicable at their respective rates.

How to Claim Preferential Treatment

Under the USSFTA, an importer may claim preferential treatment based on the importer's knowledge or on information in the importer's possession that the goods qualify as originating goods. No certificate of origin is required. However, the importer is required to produce the necessary permits together with the invoice, at the time of cargo clearance.

Import of Chewing Gum

Under the USSFTA, Singapore agreed to allow importation of chewing gum with "therapeutic value." Singapore continues to bar imports of gum without "therapeutic value."

Advance Rulings

Under the USSFTA, advance rulings on tariff classification, valuation, and whether a good qualifies for FTA preferential treatment will be issued within 120 days upon receipt of all necessary information and documentation.

For further clarification, you can call the Singapore Customs Call Center at 63552000, followed by (*) (0), or go to <http://www.customs.gov.sg> or <http://www.mti.gov.sg/public/FTA> or <http://www.fta.gov.sg/>.

RULES OF ORIGIN

The U. S.-Singapore Free Trade Agreement (FTA) was largely modeled upon the North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico. Thus, those familiar with NAFTA will recognize some aspects of the Rules of Origin section of the U. S.-Singapore FTA. There are, however, some important differences, which require the close attention of the US exporter.

How To Read the Rules of

Origin

Rules of origin are written in terms of the Harmonized System (HS) of Tariff Classification. The HS classification system uses six to ten digit codes to identify goods. The first six digits of an HS number are harmonized among the majority of the world's countries. The last four digits are unique to each country. The vast majority of the product-specific rules of origin under the U. S.-Singapore FTA use the HS classification number. The United States uses Schedule B Numbers to classify exported products from the United States and these numbers are based on the international HS system. Therefore, the first step in interpreting the "rules" is to obtain the appropriate code for the good in question. Note: the first two digits of an HS number are referred to as a "chapter," the first four digits are

called a "heading" (e.g., 1905), and the first six digits are called a "subheading" (e.g., 1905.90).

A rule of origin may consist of:

1. A change in tariff classification, i.e., tariff shift;
2. A regional value-content requirement;
3. Both a change in tariff classification and a regional value content requirement.

Note: It is necessary to refer to the rule associated with the product being exported. Regional value content can only be applied when it is allowed under a product-specific rule.

For Example:

A simple tariff shift is:

Rule of Origin: "Change to heading 1905 from any other chapter."

Products: Breads, pastries, cakes, biscuits (HS 1905.90). Non-U. S. or Singapore input: Flour (classified in

HS chapter 11), imported from Europe.

Explanation: For all products classified in HS headings 1905, all non-U. S. or Singapore inputs must be classified in an HS chapter other than HS chapter 19 in order for the product to obtain preferential duty treatment. These baked goods would qualify for tariff preference because the non-originating goods are classified outside of HS chapter 19. (The flour is in chapter 11).

However, if these products were produced with non-originating mixes, then these products would not qualify because mixes are classified in HS chapter 19, the same chapter as baked goods.

For further information or questions, please contact either one of our offices.

China: Risk, Reward, and How to Win

DATES, LOCATIONS & PROGRAMS:

Houston, TX - May 15-17, 2006

(<http://www.buyusa.gov/chinabizconference/programhouston.html>).

Washington, D.C. - May 18-19, 2006 (<http://www.buyusa.gov/chinabizconference/programwashington.com>)

Cleveland, OH - May 22-24, 2006 (<http://www.buyusa.gov/chinabizconference/programcleveland.html>).

WHAT WILL YOU LEARN?

-Strategies for successful China market entry.

-Ensuring (and enforcing!) your IPR protection.

-How to form productive partnerships with the Chinese.

-Structuring effective contracts.

-Navigating Chinese law.

-Hot market opportunities!

CONFERENCE TAKEAWAYS:

-Important business contacts in the U. S. and in China.

-A wealth of knowledge about the China market.

-New resources to answer your China questions.

-Follow-up support from the U.S. Commercial Service!

WHAT DOES THIS CONFERENCE OFFER?

We have chosen the best and brightest pool of speakers with proven experience in the China market. We are bringing over a team of China-based business experts that will headline a talented group of presenters. Breakouts covering specific industry and business process topics will offer USG and private sector perspectives. 1-on-1 business briefing with a China expert, evening reception, keynote luncheon, and exhibition are the perfect opportunity for you to meet and talk with other companies, government officials, and China experts.

1-ON-1 CHINA BUSINESS BRIEFING:

1-on-1 business briefings with a member of the Commercial Service China Team are available to companies that register by April 14th.

The 1-on-1 briefing is a rare opportunity to discuss your business' China strategy in detail with an experienced trade professional familiar with helping U.S. firms break into the Chinese market.

View Bios for 1-on-1 China Commercial Specialists at <http://www.buyusa.gov/chinabizconference/bios.html>.

WHO SHOULD ATTEND?:

This intensive program is intended to benefit:

-CEOs

-Presidents

-International Sales Managers

-VPs Global Development

-International Logistics Managers

-Directors of Business Development

-Career-minded professionals interested in business in Asia

TARGET INDUSTRIES:

-Medical

-ICT

-Infrastructure

To register online, please go to
<http://www.buyusa.gov/>

chinabizconference/register.html.

For more information, please contact Eric Nielsen, 520-670-5540 or Eric.Nielsen@mail.doc.gov, or contact either one of our offices.

May 2006 Calendar of Events

<i>Date</i>	<i>Event</i>	<i>Contact</i>
May 2, 2006	<i>Minority and Women's Breakfast</i> Metro Tech Conference and Banquet Center, Oklahoma City	Aquilla Pugh 405/427-4444

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April 26, 2006 in Tulsa